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April 23, 2015

Ms. Susan Klein, Regional Brownfields Coordinator
Region 7, US Environmental Protection Agency
11201 Renner Boulevard
Lenexa, KS 66219

Re: Supplemental Funding Request for \$400,000 (\$200,000 Hazardous Substances and
\$200,000 Petroleum)
BF-98746101-4

Dear Ms. Klein:

St. Louis Development Corporation (SLDC) is pleased to provide this supplemental funding request to further capitalize our Brownfields Cleanup Fund. SLDC is a Missouri non-profit corporation, the purpose of which is to promote economic development in the City of St. Louis. Our history of successful EPA Brownfields Assessment, Cleanup and Revolving Loan Fund grants management is a matter of record, but the need continues to be great. The considerations in the letter that follows were taken from a document entitled, *"Fiscal Year 2015 Process and Considerations for Supplemental Funding for Brownfields Revolving Loan Fund Grants"* provided by Region 7 of the EPA:

1. Loan/sub-grant History: To-date, the Brownfields Cleanup Fund has successfully disbursed seven sub-grants and two loans totaling \$1,959,847.82, with matching cleanup funds at \$708,967.25 (36%). Our first successfully completed project was a sub-grant to a community agency seeking to redevelop a contaminated former manufacturing site in the City's 3rd Ward into a \$5.2 million, 50-unit senior housing facility, which opened in 2008. The second and third projects involved cleanup funding (loans) for asbestos and lead paint abatement in abandoned historic high rise buildings in the City's Grand Center and Downtown Neighborhoods; the buildings were unfortunately part of the collapse of a local development company, but have been shepherded through the foreclosure process; the Metropolitan Building was redeveloped as low-income artist's lofts by Dominion Development of Minneapolis, and the Arcade Building rehab is currently underway, also by Dominion Development. The fourth project involved a sub-grant to a community agency to provide a portion of soil/debris cleanup needed to develop an entire city block into the Old Post Office Plaza,

a multi-million dollar public gathering place intended to complement the renaissance currently unfolding in Downtown's Old Post Office District; the grand opening of the plaza took place in the spring of 2009. The fifth and sixth projects involved cleanup sub-grants to St. Louis Community College (\$120,000) to assist with their \$10.5 million Harrison Education Center and to Habitat for Humanity (\$174,038.84) for Phases I and II of their 2009 "build" in the Jeff Vanderlou Neighborhood. The seventh project was a \$46,437.22 sub-grant to support the Land Reutilization Authority's cleanup of the abandoned junkyard at 121 Dock Street, and the eighth project, was a \$100,000 sub-grant to the Planned Industrial Expansion Authority (PIEA) to support PCB-impacted soil removal in the Adelaide Business Campus redevelopment area of the North Riverfront. Unfortunately, the total assessment and cleanup tab came to approximately \$500,000, necessitating an additional \$230,000 from the RLF. This project is now complete and the area provides green stormwater infrastructure for adjacent developments. Our ninth project, currently underway, included the remediation of lead based paint and asbestos tiles and mastic at the Norman Corporation site. Additional work will include the removal and proper disposal of an above ground storage tank and its contents; this final piece of remediation under the sub-grant will begin in May. We have \$23,631.94 remaining in this sub-grant. As we wrap up the sub-grant on this site, Missouri Department of Natural Resources will be assisting in soil and groundwater sampling in addition to the removal of underground storage tanks. Once this sub-grant is fully disbursed, only \$316,520.24 will remain unencumbered.

SLDC also converted \$960,000 in RLF funds from the American Recovery and Reinvestment Act (ARRA) into 14 sub-grants which successfully prepared 12.6 acres of urban brownfields for productive reuse, and leveraged \$415,531 in additional abatement funds. Successful projects included Habitat for Humanity's 2010 "Build" in the Jeff Vander Lou Neighborhood, a neighborhood garden in the City's 4th Ward, a youth and family community center north of downtown, and the conversion of an abandoned gas station into a Mediterranean restaurant which has catalyzed millions in commercial and residential development in the neighborhood.

2. Demonstrated Need & Ability to Make Loans/Sub-Grants: We are currently seeking \$400,000 in supplemental funding, with \$200,000 targeting hazardous substance cleanups and \$200,000 targeting petroleum. The target community is the City of St. Louis, which has lost 53% of its population since 1960. This urban flight has created vast areas of abandoned and underutilized land within the city limits, including nearly 10,000 tax-reverted parcels, many of which would benefit from cleanup funding. Our inventory of known publicly-owned Brownfields currently stands at over 300 sites; however, using a conservative estimate of 5% of all vacant land and abandoned buildings, the number of Brownfields in the City could eventually grow as high as 1,200 sites, which present a significant blight on neighborhoods and can give even the most livable neighborhoods an air of decline and dilapidation. Specific projects on which we would spend \$200,000 in hazardous substance cleanups include multiple sites within the Adelaide Business Campus in the North Riverfront redevelopment area including the Becker Scale House

(soil and groundwater contamination) and 607 Holly (a nearly collapsed building fully clad in asbestos siding). We also contemplate expending another \$200,000 on cleanups related to petroleum, such as the Porter Oil, which has multiple basement fuel storage tanks which cannot be accessed without first demolishing the floor and building above. At 3300 Wisconsin, where the community is actively engaged in finding a productive reuse for an abandoned gas station, tanks have been removed but remediation is still needed. Another petroleum site which requires additional spot remediation is 3506 Morgan Ford, where the Tower Grove Neighborhoods Community Development Corporation is ready to enter into a purchase option (once remediation is complete) to construct a new multifamily, low-income building. Yet another former gas station in need of additional remediation is 2255 California, located at a commercially focused intersection where we will work with the community development corporation to identify developers once remediation is complete. Both Headquarters and Region 7 are assisted with neighborhood-based reuse planning at all three of these abandoned gasoline filling stations.

- 3. Demonstrated Administrative Ability:** Our Brownfield Cleanup Fund is fully in-place and has completed nine transactions, including not only determining program-specific prudent lending and sub-granting practices, but also completing project-specific tasks such as determining site and activity eligibility, design and execution of a community relations plan, and formulation and presentation of an Analysis of Brownfields Cleanup Alternatives (ABCA) for each project. With a few minor exceptions, since inception of the RLF in 2004, all of our quarterly reporting responsibilities, including ACRES database entry have been completed on-time, and SLDC currently has on-staff both a fund manager and environmental professional in addition to a project manager for the RLF.
- 4. Demonstrated Ability to Address Funding Gaps:** We have found that low-interest cleanup loans, when paired with Brownfield Remediation Tax Credits (provided by the Missouri Department of Economic Development) work together to level the playing field by filling approximately 90% of the funding gaps created by the discovery of contaminated media when preparing a site for redevelopment. In both of the Metropolitan Building and Arcade Building loans, filling of cleanup gaps was not sufficient to prevent the developer's insolvency, but the cleanups were substantially completed, setting the stage for the ultimate redevelopments that emerged when the foreclosure workout concluded. This approach not only creates a faster revolution of funds (ensuring a greater number of sites are cleaned), but also increases our opportunity to provide cleanup sub-grants to a greater number of important public projects. We also work with community development corporations who are able to apply for Community Development Block Grant funds so that our funding leverages additional federal dollars (in addition to private investment).
- 5. Community Benefit:** To date, neighborhoods across the City have benefited from the completion of cleanups financed through the Revolving Loan Fund, as the primary function is to clean properties to a level that is protective of both human health and the

environment; the majority of our projects (six of nine) are located in disinvested neighborhoods where environmental justice is a pervasive issue. We have leveraged over \$5 million in private funding and 120 cleanup and redevelopment jobs (note: these do not include the Metropolitan and Arcade Buildings). In the City's challenged 3rd Ward, RLF funds successfully leveraged the development of a significant senior housing facility. The Metropolitan Building has become as a capstone project for the Grand Center Arts and Entertainment District in Midtown. The Arcade Building (projected construction completion in December 2015) will result in 500,000 square feet of institutional and mixed-income residential space in addition to job creation, as a branch of Webster University will open on two floors. Both the Arcade Building loan and the Old Post Office Plaza sub-grant helped accelerate the redevelopment boom which continues throughout Downtown. Both the Habitat for Humanity and Harrison Education Center projects involved providing solutions for unanticipated environmental conditions that threatened project solvency. The 121 Dock and Adelaide/PIEA sub-grants both addressed some fairly serious PCB conditions that were preventing projects from moving forward. The Norman Corporation sub-grant is one part of a large puzzle which will result in a large development parcel which we hope use to attract jobs and new development. For the coming years, we expect RLF funds will help leverage cleanup of lead and PAHs in surface soils for three major projects, and will be critical in catalyzing cleanup and reuse of many abandoned gasoline stations. Potential developers often shy away from Brownfields due to the disparity between cleanup costs and market value at a given site, but grant-funded cleanups resulting from a better capitalized Brownfields Cleanup Fund will eliminate such disparity and lead to protection of human health and the environment, help achieve an economic balance at key neighborhood properties, and restore neighborhood pride by helping to eliminate blight.

6. Special Considerations: none

SLDC's Brownfields Cleanup Fund may be a successful Revolving Loan Fund program, but we could have an even greater positive impact should EPA opt to provide supplemental funding. If you have any questions or require additional information, please call Amy Lampe of my staff at 314-657-3737. We appreciate your support both now, and in the future, and we thank you in advance for your consideration of this request.

Sincerely,



Otis Williams
Executive Director

CC: Lisa Ruhl, US EPA Headquarters via email at ruhl.lisa@epa.gov